



# Agenda Report

December 11, 2017

**TO:** Honorable Mayor and City Council

**FROM:** Water and Power Department

**SUBJECT: REJECT BIDS FOR THE INSTALLATION OF DUCTILE IRON WATER MAINS IN OAK KNOLL AVENUE AND AVENUE 64 FOR THE PASADENA WATER AND POWER DEPARTMENT, SPECIFICATIONS WD-17-10**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find that the rejection of bids is statutorily exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Section 21080(b)(5) and Section 15270 of the State CEQA Guidelines; and
2. It is recommended that the City Council reject all bids received on October 24, 2017, in response to Specifications WD-17-10 for the installation of ductile iron water mains in Oak Knoll Avenue and Avenue 64 for the Pasadena Water and Power Department ("PWP").

## **BACKGROUND:**

PWP's Water System Master Plan ("Master Plan") was adopted in 2002 and provides guidelines for water main-replacements. PWP's current goal is to replace three to five miles of water mains per fiscal year to provide continued reliable water service. City crews are able to replace approximately one to two miles of water main per year, and contractors are used to replace additional miles. PWP plans to replace 3 miles of water mains during fiscal year 2018.

The Oak Knoll Avenue Water Main Project, as described in Specifications WD-17-10, will replace 2,366 feet of occluded 8-inch and 12-inch cast iron pipes from 1913 with new 8-inch and 12-inch ductile iron pipes. The Avenue 64 Project will replace 3,987 feet of occluded 8-inch cast iron pipes from 1921 and 1926 with new 8-inch ductile iron pipes. The new water mains total 1.2 miles and will meet the required pressure, pipe velocity, and fire flow criteria as approved in the Master Plan.

The Notice Inviting Bids for Specifications WD-17-10 was advertised in the Pasadena Journal, and also posted online through Planet Bids on September 21, 2017. PWP reached out to 32 contractors. Fourteen contractors attended the mandatory pre-bid

meeting on October 2, 2017 and eight bids were received and opened on October 24, 2017. Access Pacific, Inc. is a local contractor that bid on the project.

The results of the bids were as follows:

<u>Bidders</u>	<u>Total Bid</u>
1. Michels Corporation, Rancho Cucamonga	\$1,769,964
2. GRFCO, Inc., Brea	\$2,201,375
3. Ramona, Inc., Arcadia	\$2,516,525
4. Sully Miller Contracting Company, Brea	\$2,563,000
5. Colich & Sons L.P., Gardena	\$2,593,855
6. Toro Enterprises, Inc., Oxnard	\$2,647,070
7. Ferreira Construction Co, Inc., Chino	\$2,729,473
8. Access Pacific, Inc., Pasadena	\$2,883,602
Engineer's Estimate	\$2,073,000

The lowest bidder, Michels Corporation, notified PWP on October 30, 2017, that they made an error in bid price specifically related to backfilling operations. They stated that they would need an additional \$246,000 to complete the project as per the Specifications, and therefore they formally withdrew their bid.

The second lowest bidder, GRFCO, Inc., withdrew their bid in a letter to PWP also dated October 30, 2017. They referenced a clerical error in bid pricing. Given that the third lowest bidder is significantly higher than the Engineer's Estimate, PWP is recommending the City Council reject all bids.

Staff is working on revising the Specifications and is planning to advertise in December 2017. The revised Specifications will include revisions to the paving requirements that will make the project more economical for the City. PWP is working with the City of Pasadena Department of Public Works to make sure that the paving requirements meet Public Works' standards.

A contract award recommendation is expected to be brought back to Council in February 2018. Delays in meeting PWP's goals for water main replacements are expected as a result of not committing to a contract.

**COUNCIL POLICY CONSIDERATION:**

The rejection of bids supports the City Council's strategic goal to improve, maintain, and enhance public facilities and infrastructure.

**ENVIRONMENTAL ANALYSIS:**

The rejection of bids is statutorily exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Section 21080(b)(5) and Section 15270 of the State CEQA Guidelines, which state that CEQA does not apply to "projects which a public agency rejects or disapproves".

**FISCAL IMPACT:**

There is no fiscal impact as a result of this action, and it will not have any indirect or support cost requirements.

Respectfully submitted,



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Approved by:



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